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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bill was introduced in Lok Sabha on the 6th December, 1973:—

BILL No. 96 OF 1973

A Bill further to amend the National Co-operative Development Corporation Act, 1962.

BE it enacted by Parliament in the Twenty-fourth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the National Co-operative Development Corporation (Second Amendment) Act, 1973.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Substitution of long title.

26 of 1962

2. In the National Co-operative Development Corporation Act, 1962 (hereinafter referred to as the principal Act), for the long title, the following shall be substituted, namely:—

"An Act to provide for the incorporation and regulation of a corporation for the purpose of planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs and certain other commodities on

co-operative principles and for matters connected therewith.".

Amendment of section 2.

3. In section 2 of the principal Act,—

(*i*) in clause (*a*),—

(*1*) for the words "means any of the following", the words "includes the following" shall be substituted;

(*2*) in item (*i*), the words "foodstuffs, including" shall be omitted;

(*ii*) after clause (a), the following clauses shall be inserted, namely:—

(*aa*) "bank" means a nationalised bank and includes a scheduled bank;

(*ab*) "Board" means the Board of Management of the Corporation constituted under section 10;';

(*iii*) in clause (*d*), for the word and figure "section 3", the words, brackets and figures "sub-section (*1*) of section 3" shall be substituted;

(*iv*) after clause (*d*), the following clauses shall be inserted, namely:—

'(*da*) "foodstuffs", include—

(*i*) coconuts and areca-nuts;

(*ii*) eggs and egg products;

(*iii*) fish, whether fresh, frozen, dried or preserved;

(*iv*) fruits, whether fresh, dried or dehydrated;

(*v*) honey;

(*vi*) meat, whether fresh, frozen, dried or preserved;

(*vii*) milk and milk products;

(*viii*) vegetables;

(*db*) "General Council" means the General Council of the Corporation constituted under sub-section (*4*) of section 3;

(*dc*) "managing director" means the managing director of the Corporation;

(*dd*) "nationalised bank" means a corresponding new bank as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;'; 5 of 1970.

(*v*) in clause (*e*), after the words "agricultural produce", the words "and foodstuffs" shall be inserted;

(*vi*) after clause (*g*), the following clause shall be inserted, namely:—

'(*ga*) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934;'. 2 of 1934.

Amendment of section 3.

4. In section 3 of the principal Act, for sub-sections (3), (4) and (5), the following sub-sections shall be substituted, namely:—

"(3) The Corporation shall carry on its functions through the General Council and the Board.

(4) The General Council shall consist of the following members, namely:—

(*i*) a President and a Vice-President, both to be nominated by the Central Government;

(*ii*) eight members, *ex officio*, to be nominated by the Central Government from such of its Ministries dealing with economic matters as it may think fit;

(*iii*) Deputy Governor of the Reserve Bank in charge of rural credit, *ex officio;*

(*iv*) Managing Director of the State Bank, *ex officio;*

(*v*) Managing Director of the Food Corporation of India, constituted under the Food Corporations Act, 1964, *ex officio;*

37 of 1964.

(*vi*) Managing Director of the Central Warehousing Corporation, constituted under the Warehousing Corporations Act, 1962, *ex officio;*

59 of 1962

(*vii*) Chairman of the Industrial Finance Corporation of India, constituted under the Industrial Finance Corporation Act, 1948, *ex officio*;

15 of 1948

(*viii*) a member representing banks, to be nominated by the Central Government;

(*ix*) Chairman of the National Co-operative Union of India, *ex officio;*

(*x*) Chairman of the National Agricultural Co-operative Marketing Federation, *ex officio;*

(*xi*) Chairman of the National Federation of Co-operative Sugar Factories, *ex officio;*

(*xii*) Chairman of the All India Federation of Co-operative Spinning Mills, *ex officio;*

(*xiii*) Chairman of the All India State Co-operative Banks' Federation, *ex officio;*

(*xiv*) eleven members, other than those nominated under clause (*xv*), representing the States and the Union territories, to be nominated by the Central Government, provided that not more than one person shall be so nominated from each State or Union territory;

(*xv*) eleven members to be nominated by the Central Government from among the Chairmen of the State level co-operative federations from the States and Union territories, provided that not more than one person shall be so nominated from each State or Union territory;

(*xvi*) four members representing persons having special knowledge of, or practical experience in, agricultural co-operative development, to be nominated by the Central Government;

(*xvii*) three members representing national level organisations engaged or interested in the promotion and development of co-operative programmes, to be nominated by the Central Government;

(*xviii*) the managing director.

(5) The powers and functions of the Corporation shall be exercised or discharged, as the case may be, by the General Council, and references elsewhere in this Act to the Corporation shall, unless the context otherwise requires, be construed as references to the General Council.

(6) Notwithstanding the expiry of the prescribed term of his office, every member of the General Council shall continue to hold office as such, until his successor in such office has assumed charge of such office.

(7) Members of the General Council, other than the managing director, shall be entitled to receive such sitting fees as may be specified by regulations made by the Corporation under this Act, for attending any meeting of the General Council, Board or any committee of the Corporation:

Provided that no official member shall be entitled to receive any sitting fee.".

Amendment of section 4.

5. In section 4 of the principal Act, in clause (*iii*), before the words "if he is a salaried official", the words "except in the case of managing director," shall be inserted.

Amendment of section 7.

6. In section 7 of the principal Act,—

(*i*) in sub-section (*1*), for the words "shall meet at such times", the words "shall ordinarily meet twice a year at such times" shall be substituted;

(*ii*) in sub-sections (*2*) and (*3*), for the words "Chairman" and "Vice-Chairman", wherever they occur, the words "President" and "Vice-President" shall, respectively, be substituted.

Amendment of section 8.

7. In section 8 of the principal Act,—

(*i*) in sub-section (*1*), for the words "Secretary of the Corporation", the words "managing director" shall be substituted;

(*ii*) in sub-section (*3*), in clause (*a*), for the word "Secretary", the words "managing director" shall be substituted;

(*iii*) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The managing director shall exercise such powers and perform such duties as the Board may entrust or delegate to him.".

Amendment of section 9.

8. In section 9 of the principal Act,—

(*i*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) **Subject to the provisions of this Act, the functions of the Corporation shall be to plan and promote programmes, through co-operative societies, for—**

(*a*) **the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, poultry feed and notified commodities;**

(*b*) **the collection, processing, marketing, storage and export of minor forest produce.**";

(*ii*) in sub-section (*2*),—

(*a*) **in clause (*b*), for the words "agricultural produce", the words "agricultural produce, foodstuffs" shall be substituted;**

(*b*) after clause (*c*), the following clauses shall be inserted, namely:—

"(*d*) **provide loans and grants directly to the national level co-operative societies and other co-operative societies having objects extending beyond one State;**

"(*e*) **provide loans to co-operative societies on the guarantee of State Governments or in the case of co-operative societies in the Union territories, on the guarantee of Central Government;**

(*f*) **participate in the share capital of the national level co-operative societies and other co-operative societies having objects extending beyond one State.**".

Substitution of new section for section 10.

9. For section 10 of the principal Act, the following section shall be substituted, namely:—

Board of Management of the Corporation.

"10. (*1*) There shall be a Board of Management of the Corporation which shall consist of the following members, namely:—

(*i*) the Vice-President of the General Council, who shall be the Chairman;

(*ii*) three members of the General Council, to be nominated by the Central Government from among the members referred to in clause (*ii*) of sub-section (*4*) of section 3;

(*iii*) the member of the General Council, referred to in clause (*iii*) of sub-section (*4*) of section 3;

(*iv*) one member of the General Council, to be nominated by the Central Government from among the members referred to in clauses (*ix*), (*x*), (*xi*), (*xii*) and (*xiii*) of sub-section (*4*) of section 3;

(*v*) two members of the General Council, to be nominated by the Central Government from among the members referred to in clause (*xiv*) of sub-section (*4*) of section 3;

(*vi*) two members of the General Council, to be nominated by the Central Government from among the members referred to in clause (*xv*) of sub-section (*4*) of section 3;

(*vii*) one member of the General Council, to be nominated by the Central Government from among the members referred to in clauses (*xvi*) and (*xvii*) of sub-section (*4*) of section 3;

(*viii*) the managing director.

(*2*) The Vice-Chairman of the Board shall be nominated by the Central Government.

(*3*) Subject to the general control, direction and superintendence of the General Council, the Board shall be competent to deal with any matter within the competence of the Corporation.

(*4*) The Board shall meet at such times and at such places and shall observe such procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

(*5*) The confirmed minutes of every meeting of the Board shall be laid before the General Council at its next following meeting.".

Amendment of section 12.

10. In section 12 of the principal Act,—

(*i*) in clause (*a*), the word "and" occurring at the end shall be omitted;

(*ii*) in clause (*b*), the word "and" shall be inserted at the end;

(*iii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*c*) such additional grants, if any, for the purposes of this Act.".

Insertion of new section 12A.

11. After section 12 of the principal Act, the following section shall be inserted, namely:—

Power of Corporation to borrow money.

"12A. (*1*) The Corporation may, for the purposes of carrying out its functions under this Act, and with the previous approval of, and subject to the directions of the Central Government, borrow money from—

(*a*) the public by the issue or sale of debentures carrying interest at such rates as may be specified therein;

(*b*) any bank or other financial institution;

(*c*) any other authority, organisation or institution as may be specially approved by the Central Government in this behalf.

(*2*) The Central Government may guarantee the repayment of the moneys borrowed by the Corporation under clause (*a*) or clause (*b*) or clause (*c*) of sub-section (*1*) and the payment of interest thereon and other incidental charges.".

12. In section 13 of the principal Act,— Amendment of section 13.

(*i*) in sub-section (*1*),—

(*a*) after clause (*b*), the following clause shall be inserted, namely:—

"(*ba*) all moneys borrowed under section 12A;";

(*b*) in clause (*d*), after the words "or dividends", the words "or other realisations" shall be inserted;

(*ii*) in sub-section (*2*), in clause (*b*), for the word "officers", the words "managing director, the officers" shall be substituted;

(*iii*) in sub-section (*3*), for the words "State Bank", the words "State Bank or a nationalised bank" shall be substituted.

13. In section 18 of the principal Act, for the words "the Corporation", the words "the General Council, the Board or any of the committees of the Corporation" shall be substituted. Amendment of section 18.

14. In section 19 of the principal Act, for the words "Chairman or the Vice-Chairman", the words "President or the Vice-President" shall be substituted. Amendment of section 19.

15. In sub-section (*2*) of section 22 of the principal Act,— Amendment of section 22.

(*i*) clauses (*a*), (*b*) and (*c*) shall be omitted;

(*ii*) in clause (*e*), for the words "Secretary to the Corporation", the words "managing director" shall be substituted;

(*iii*) clause (*f*) shall be omitted.

16. In sub-section (*2*) of section 23 of the principal Act,— Amendment of section 23.

(*i*) in clause (*a*), for the words "the Corporation, the Executive Committee and other committees thereof", the words "the General Council, the Board and other committees of the Corporation" shall be substituted;

(*ii*) in clause (*b*), for the word "Secretary", the words "managing director" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The National Co-operative Development Corporation was established in March, 1963, under the National Co-operative Development Corporation Act, 1962. The basic objective of this Corporation is to plan, promote and finance programmes for processing, storage and marketing of agricultural produce and certain other notified commodities, on co-operative basis.

2. In pursuance of certain observations made by the Public Accounts Committee (Fourth Lok Sabha), in their 106th Report in regard to the need for the continuance of the National Co-operative Development Corporation and the de-officialisation of the co-operative movement, the Government of India had appointed an Expert Committee to examine the working, objectives and future set up of the National Co-operative Development Corporation. The Committee assessed the performance of the National Co-operative Development Corporation and came to the conclusion that the Corporation had made significant contribution towards developing the potential of the programmes entrusted to it, which have recorded striking progress in recent years. The Committee accordingly not only recommended the continuance of the National Co-operative Development Corporation, but also the broad-basing of its functions, activities and organisational set up. The major recommendations of the Expert Committee are as follows:

(*i*) The activities of the National Co-operative Development Corporation should be extended to co-operative dairy, poultry and fishery programmes, specially designed for assisting the vulnerable sections of the community. The activities of the Corporation may also include helping the tribal people in the collection, processing and marketing of minor forest produce, through appropriate co-operatives, especially designed for them.

(*ii*) Organisational set up of the National Co-operative Development Corporation should reflect the nature of its functions, the types of activities sponsored and the institutions and authorities it has to deal with. It should have a General Council with larger representation to States, including the State Governments and State level co-operative institutions and national level co-operative institutions, and also a Board of Management, in place of the existing Executive Committee. The Corporation will function through the General Council and the Board of Management.

(*iii*) Apart from providing financial assistance to co-operative programmes through the State Governments, the National Co-operative Development Corporation should participate in the share capital of, and provide loans and grants to, the national and regional co-operative institutions. It may also provide finance and refinance to other types of co-operatives, on the guarantee of the State

Governments concerned, or, in the case of co-operatives in the Union territories, on the guarantee of the Central Government.

(*iv*) The National Co-operative Development Corporation be enabled to borrow from the open market, on Central Government's guarantee, if necessary, and also from other sources.

3. The Bill seeks to amend the National Co-operative Development Corporation Act, 1962, for broad-basing the activities and the constitution of the Corporation and also for diversifying the sources of its funds, in the light of the recommendations of the Expert Committee.

NEW DELHI; ANNASAHEB P. SHINDE.

The 24th November, 1973

FINANCIAL MEMORANDUM

Under section 12 of the National Co-operative Development Corporation Act, 1962, the Central Government pays to the National Co-operative Development Corporation, each year, funds by way of grant and also by way of loan, having regard to its actual requirements. Section 13 of the Act provides for the creation of a Fund into which all the moneys received by the Corporation are credited. The Corporation has also a corpus of its own funds. The resources of the fund are utilised, *inter alia*, for advancing loans and granting subsidies to the State Governments.

2. With the proposed extension of the activities of the National Co-operative Development Corporation to cover co-operative programmes in the field of dairy, poultry, fishery and collection, processing and marketing of minor forest produce, by clause 8, read with clause 3, of the Bill, the National Co-operative Development Corporation will, *inter alia*, provide financial assistance to the State Governments for undertaking co-operative programmes for processing, storage and marketing of diary, poultry, fishery and minor forest produce. The moneys required by the Corporation for the purposes of the Act, will be found by it, partly from its own resources and partly out of the loans and subsidies received from the Central Government from the Consolidated Fund of India. The amount of financial assistance to be so given by the Corporation will vary from year to year, depending upon the progress in the formulation and implementation of various co-operative programmes with which the Corporation is concerned. It will not be possible to give any precise estimate of annual expenditure that will have to be incurred from the Consolidated Fund of India for this purpose. However, such expenditure is not likely to exceed rupees 20 crores in a year during the Fifth Plan period. No non-recurring expenditure is likely to be incurred.

3. In terms of clause 11 of the Bill, the Central Government may guarantee the repayment of moneys borrowed by the Corporation. Although no precise estimate of the liability involved in such guarantee is possible at this stage, the liability arising out of such guarantee is not likely to exceed rupees 4 crores in a year during the Fifth Plan period.

4. The Central Government may also provide guarantee to the repayment of the loans that may be made available by the Corporation to the co-operatives in the Union territories as proposed in clause 8 of the Bill. The amount involved in the Central Government's liability will depend on the requirements of co-operative programmes in Union territories. It is not possible to give a precise estimate of the amount that may be involved in such guarantee, but the liability arising out of such guarantee is not likely to exceed rupees 1 crore in a year during the Fifth Plan period.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-section (7) of section 3, as proposed to be substituted by clause 4 of the Bill, seeks to empower the Corporation to provide by regulations the sitting fees which the members of the General Council shall be entitled to receive for attending any meeting of that Council. Sub-section (4) of section 10, as proposed to be substituted by clause 9 of the Bill, seeks to empower the Corporation to make regulations with regard to the time of the meetings of the Board and the procedure with regard to the transaction of business at its meetings .

2. The matters with regard to which the Corporation is proposed to be empowered to make regulations are matters of detail. The delegation of legislative power is, therefore, of a normal character.

S. L. SHAKDHER,
Secretary-General.

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